



State of Washington
Department of Revenue

Excise Tax Advisory

Excise Tax Advisories (ETA) are interpretive statements issued by the Department of Revenue under authority of RCW 34.05.230. ETAs explain the Department's policy regarding how tax law applies to a specific issue or specific set of facts. They are advisory for taxpayers; however, the Department is bound by these advisories until superseded by Court action, Legislative action, rule adoption, or an amendment to or cancellation of the ETA.

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USE TAX ON DISPLAY MERCHANDISE

Issued April 1, 1968

The Use Tax applies to articles which are substantially used for sales promotion purposes. This includes automobiles, boats or appliances regularly used as demonstrators, display advertising materials, samples or advertising material given away to customers, and samples carried by salesmen.

The tax is not applicable to the brief and superficial use which occurs when articles held for sale are displayed in single trade shows (boat shows, home shows, auto shows, agricultural fairs, conventions, etc.) for short periods, or are used in floor or window displays, and are thereafter sold as new merchandise.

As a general guide, such articles will be deemed to have been substantially used, and subject to the Use Tax, when carried in the taxpayer's books of account as demonstrator or display merchandise, or when so extensively used for demonstration or display purposes that they can no longer be sold as new merchandise.

ETBS have been made Excise Tax Advisories, and have retained their old number. Advisories with a 2 (plus three digits) are new advisories, ETBs that have been revised and readopted after review under the Department's regulatory improvement program, or advisories that have been revised and/or readopted.

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